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DE RUEHMU #0641 0682315
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FM AMEMBASSY MANAGUA
TO RUEHC/SECSTATE WASHDC 9413
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE
RUEHCV/AMEMBASSY CARACAS 1004
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC
RUEHRC/DEPT OF AGRICULTURE WASHINGTON DC

UNCLAS MANAGUA 000641

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STATE FOR WHA/CEN, WHA/EPSC, EEB/TPP/ABT

E.O. 12958: N/A

TAGS: EAGR EAID NU VE

SUBJECT: NICARAGUA - VENEZUELA LETTER OF INTENT ON
IMPROVING NICARAGUA'S FOOD STORAGE SYSTEM

¶1. (SBU) Summary. As part of a series of Bolivarian Alternative agreements between Nicaraguan and Venezuela signed on January 11, 2007, the President of the Venezuelan Corporation for Agricultural Services and Supply (LA CASA) and the Director General of Nicaraguan National Supply Company (ENABAS) signed a Letter of Intent to cooperate on improving Nicaragua's food storage system. The commitment involves little more than LA CASA sending a technical commission to Nicaragua to analyze weaknesses, infrastructure requirements, and food storage needs and facilities, with a view to making recommendations to improve Nicaragua's food storage system and a pledge to cooperate on doing so. End Summary.

¶2. (SBU) This Letter of Intent between the Corporacion de Abastecimiento y Servicios Agricolas, SA (LA CASA) and La Empresa Nacional de Abastecimiento (ENABAS) was one of a series of thirteen commitments with Venezuela negotiated by the Ortega government before it came to power on January 10, ¶2007. President of LA CASA Erika Del Valle Farias Pena and Director General of ENABAS Roger Ali Romero Santamaria signed the letter on January 11, 2007. The substance of this letter along with the other commitments was kept from the public for weeks, although the Embassy managed to obtain an unsigned copy. This cable reports on the substance of this particular letter of intent.

Preambular Language

¶3. (SBU) Relatively extensive preambular language in the letter states that the two parties are motivated by the will to form closer ties of friendship and brotherhood between the two countries and their people. The fight against poverty and the social exclusion, as a fundamental priority, requires joint plans and projects for the benefit of both countries. The parties are determined to deepen cooperative relations as well as Latin American and Caribbean social and economic integration with a view to encouraging political integration as a strategic option. Both parties are committed to create material and social conditions to fulfill millennium goals, and to deepening strategic alliances and economic complementarity in the framework of promoting fair trade and "multipolarity." Both parties reaffirm their will to strengthen integration, understanding that it is a gradual and progressive process through which nations voluntarily take joint decisions. This language is the same as that in the Letter of Intent between MERCAL and NICARAOCOOP concerning the creation of a "peoples network" for marketing food (septel).

Intentions

¶4. (SBU) The substance of the letter involves little more than La CASA SA sending a technical commission to Nicaragua to analyze weaknesses, infrastructure requirements, and food storage needs and facilities. The commission will present a technical and financial proposal to La Casa and ENABAS to undertake food storage in Nicaragua. La Casa and ENABAS will undertake to negotiate the terms of technical cooperation and the coordination of their activities in the area of food storage.

Duration and Termination

¶5. (SBU) The letter shall be effective for one year from the date of signature, unless the parties decide in writing to extend or terminate it. Termination will become effective thirty days thereafter, but not affect ongoing activities, programs, or projects unless so stated by the parties.

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